

FUND FOR THE REPUBLIC, INC.

Running Memoranda File

VOLUME I

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parts I, II and III

October 1964

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PART IIRELATIONSHIP IN THE FUNDCurrent Officers:

Robert W. Hutchins, President . . . . .	3, 22, 41, 47, 50, 51, 53, 57, 58, 63, 65-70
Mallock Hoffmann, Assistant to the President . . . . .	10, 63, 64, 65
William H. Perry, Vice President . . . . .	11, 20, 42, 50, 52, 55, 63, 65, 66
Winifred G. Leckus, Assistant Secretary- Treasurer . . . . .	13, 57, 63
Bethuel W. Webster, Counsel . . . . .	13, 50, 63
Frank E. Kelly, Vice President . . . . .	50, 63

PART I

HISTORY AND DEVELOPMENT OF THE FUND FOR THE REPUBLIC  
(September 10, 1953, to January 1, 1955)

ORGANIZATION (no change)

COMMITTEE (no change)

INCORPORATION

The Fund announced on 10-9-55 that they would open an office at Washington, D. C., to be located at 1920 Jefferson Place, N. W. The office was to be headed by Adam Yermolinsky, staff member who wrote the "Case Studies in Personnel Security," financed by the Fund. (10-10-55 issue of "New York Herald Tribune"; 10-14-55 "Fund Echo," Falls Church, Virginia; 100-391697-a)

b3 /26 USC 6103

POLICY AND OBJECTIVES

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per IRS

Press Information

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100-3916 b7D per FBI

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Fulton Lewis, Jr., advised the Bureau on 10-20-55 that he had a long talk with Mr. Colman Andrews, Chief of the Internal Revenue Service, who said that their investigation of the Fund would most assuredly cause the Fund to lose its tax-exempt status; that this could also happen to the Ford Foundation. Lewis used this information in his 10-20-55 broadcast. (100-391697-250)

PART I

HISTORY AND DEVELOPMENT OF THE FUND FOR THE REPUBLIC  
(January 1, 1956, to March 31, 1956)

BACKGROUND (no change)

ORIGIN (no change)

LOCATION (no change)

POLICIES AND OBJECTIVES

Tax Exemption

Fulton Lewis, Jr.,<sup>news commentator</sup>, on his broadcast 2/28/56, stated that the Ford Foundation has said in the past that they had no control over the \$15,000,000 grant to the Fund for the Republic and that this grant was made with "no strings attached." He stated he had learned that the Bureau of Internal Revenue Service is currently conducting an investigation into the Fund regarding its tax-exemption status, although to date he knew of no action which has resulted. He continued that on 2/27/56, he came into possession of a copy of the minutes of a meeting of the Ford Foundation, which was held 2/23-26/53, and was concerned with the grant to the Fund for the Republic. Lewis stated that these minutes reflect that if the Fund loses its tax-exempt status, then the Fund must return to the Ford Foundation the balance of any money granted by the Foundation. Lewis added that if the Bureau of Internal Revenue Service finds that the Fund is not tax-exempt then the money will have to be returned.] (94-4-2109-224)

Fulton Lewis, Jr., in his broadcast on 3/15/56, stated that several influential Senators are preparing speeches to be delivered on the floor of the Senate asking the Internal Revenue Service to take away the tax-exempt status of the Fund as a charitable organization. He said that the Internal Revenue Service started five months ago to look into the Fund. He referred to the Fund as a "political propaganda slush fund," and stated that it should not enjoy a tax-exempt status. (94-4-2109- )

Mr. Nichols du memorandum to Mr. Tolson

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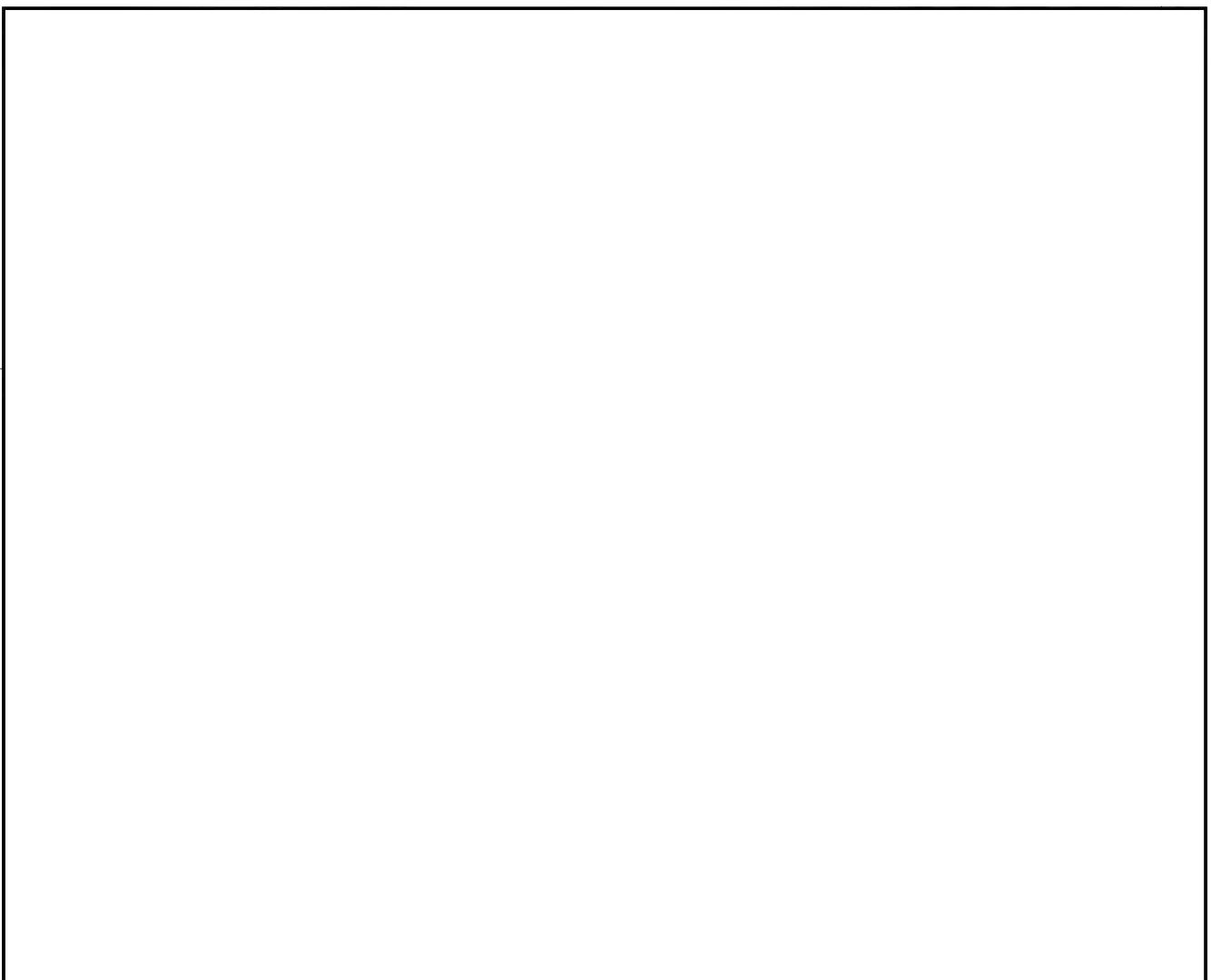
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IRS

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**PART I**

**HISTORY AND DEVELOPMENT OF THE FUND FOR THE REPUBLIC (FFR)**  
**(April 1, 1956, to June 30, 1956)**

**BACKGROUND (no change)**

**ORIGIN (no change)**

**LOCATION (no change)**

b3 /26 USC 6103

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**POLICIES AND OBJECTIVES**

per IRS

**Tax Exemption**

James O'Neill, publisher, "The Legionnaire" magazine, advised  
the Bureau on 3-26-56

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per IRS

per IRS

James O'Neill, previously described, advised [redacted]

[redacted] (IBID, 380)

PART IPOLICY AND DEVELOPMENT OF THE FEDERAL CIVIL RIGHTS PROGRAM (FCR)  
(July 1, 1950 to September 30, 1953)POLICY AND OBJECTIVESDomestication

The July 22, 1950, issue of the "Washington Post and Times Herald" newspaper reported that Senator John C. Stennis stated on the floor of the Senate on July 27, 1950, that the FED had declared that the Communist Party is just another political party, though the Subversive Activities Control Board had called it a subversive organization. He called on the Treasury Department to reexamine the tax-exempt status of the Fund. (100-301007-1)

Regarding the above, the "Washington Post and Times Herald" on 8/7/50 reported that Frank X. Kelly, Vice President of the Fund, in a letter 7/27/50 to the United Press took issue with the above charge made by Senator Stennis. Kelly said "the Fund has never - and let me repeat, never - declared that the Communist Party is another political party." It is noted that both Kelly and Senator Stennis are referring to the Fund's annual report 5/31/50 in which Hutchins had said that the cold war had thrown the question of individual freedom "into unusual disorder. A political party in this country has been identified with the 'enemy.'" Hutchins did not specifically identify the party in question as the Communist Party; however, various writers and commentators explained that he meant the Communist Party. (202-301007-1)

James O'Kell, who is in charge of all American Legion publications in New York City, advised the Bureau on 8/22/50 that

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per IRS

**PART I**

**HISTORY AND DEVELOPMENT OF THE FUND FOR THE REPUBLIC (F.F.R.)**  
**(October 1, to December 31, 1956.)**

**POLICIES AND OBJECTIVES**

**Tax-Exemption**

Fulton Lewis, Jr., in his syndicated column of 11-20-56, stated that the House Committee on Un-American Activities (HCUA) plans to conduct hearings into the Fund's activities about mid-January, 1957. Its investigators, he claims, have been quietly probing the Fund and have turned up much pertinent material (unspecified).

Lewis stated that many returning members of Congress have voiced pointed orientations [redacted]

b3 /26 USC 6103

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per IRS

about social changes or for purposes relating to the private rights of individuals and to human relationships generally, and which cannot meet the requirements of section 501 (c) (2).

The fact that such an organization is carrying out its private purpose or purpose presents opinion on controvercial questions and issues will not interfere of rendering public opinion or creating public sentiment to an acceptance of its views, or advocating social changes which may require legislation to achieve, will not preclude acceptance under section 501 (c).<sup>1</sup>

"...and those carried of this projected change Robert Hutchins himself wouldn't have drafted a proposal more suited to the needs of the disengaged funds."

On 5-5-50 Mr. Dick Arona of ECIA advised that the ECIA was preparing a letter to be sent to the Treasury Dept., Internal Revenue Division, which will criticize the FED and advise that the basis of the criticism can be found in the form of a staff memorandum in ECIA files. This letter will request that the memorandum issued of the FED be immediately withdrawn. Arona stated that the ECIA report on the Fund will not be sent to the Treasury Dept. but will be maintained by the ECIA until such time as Treasury specifically asks for it.

On 5-5-50 Jimmy O'Kell, publisher of "The American Legion Magazine," New York City, advised that Legionsnaires within the Treasury Dept.'s Division of Internal Revenue, had confidentially advised him that a decision had already been reached to eliminate the FED's tax-exempt status. This decision had gone all the way to the top in the Treasury Dept. but had been stopped there prior to any action, so as to give the FED sufficient time to issue its report against the FED. O'Kell stated the Treasury Dept. is of the opinion the FED will take this matter to court, therefore necessitating the Treasury Dept. to allow up the final decision in order to have an actual instrument (the ECIA report) with enough facts to put in a good court battle.

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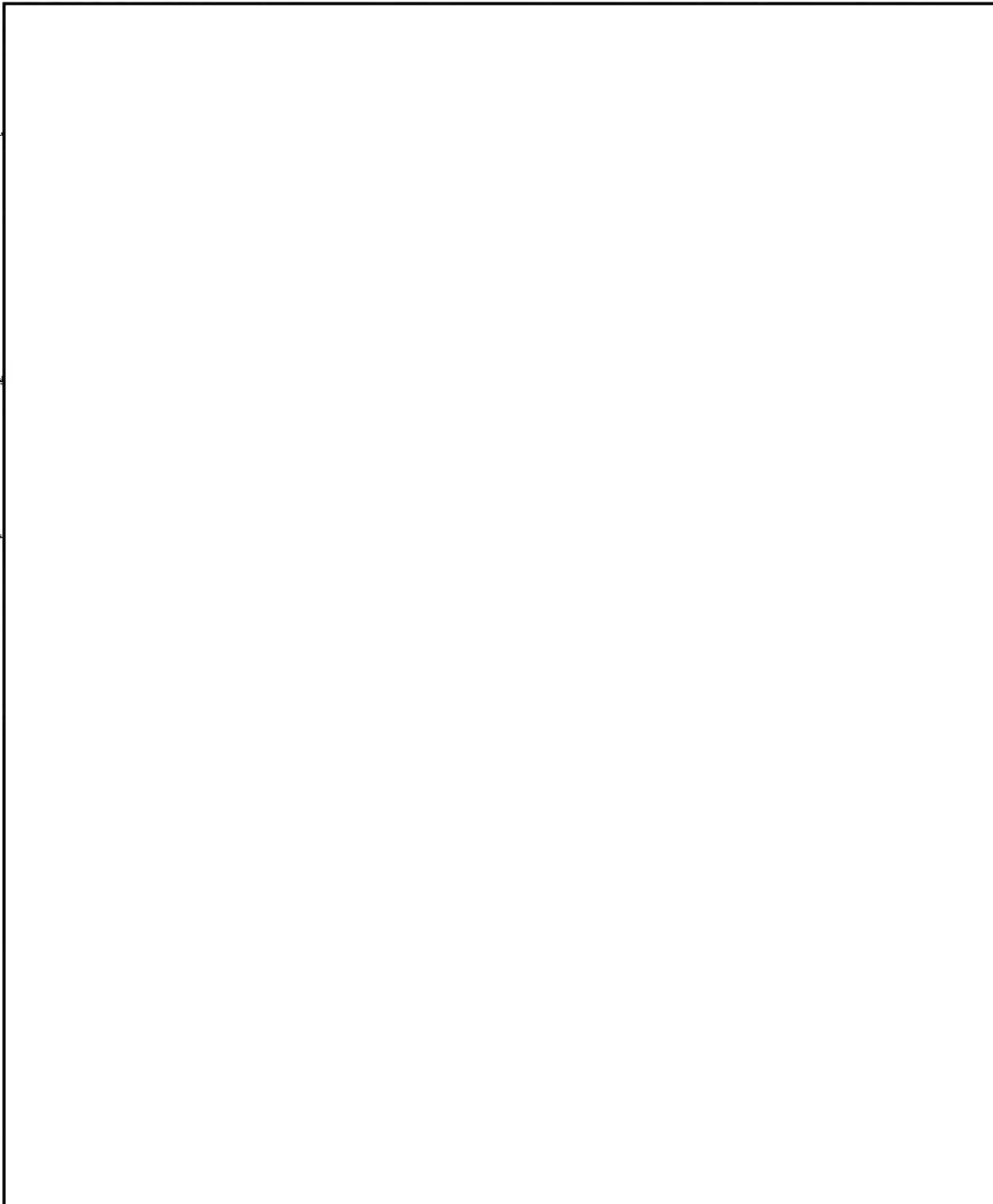
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per IRS



per IRS

On March 20, 1950, Chairman Francis E. Kalter of the CCPA made public a letter he sent to the Secretary of the Treasury on March 23, 1950, which pertained to the CCPA investigation of the FBI. Pertinent portions of his letter are as follows:

"The purpose of the inquiry, as I announced at the time I initiated it, has been to determine whether this multi-million-dollar foundation is a friend or foe in America."

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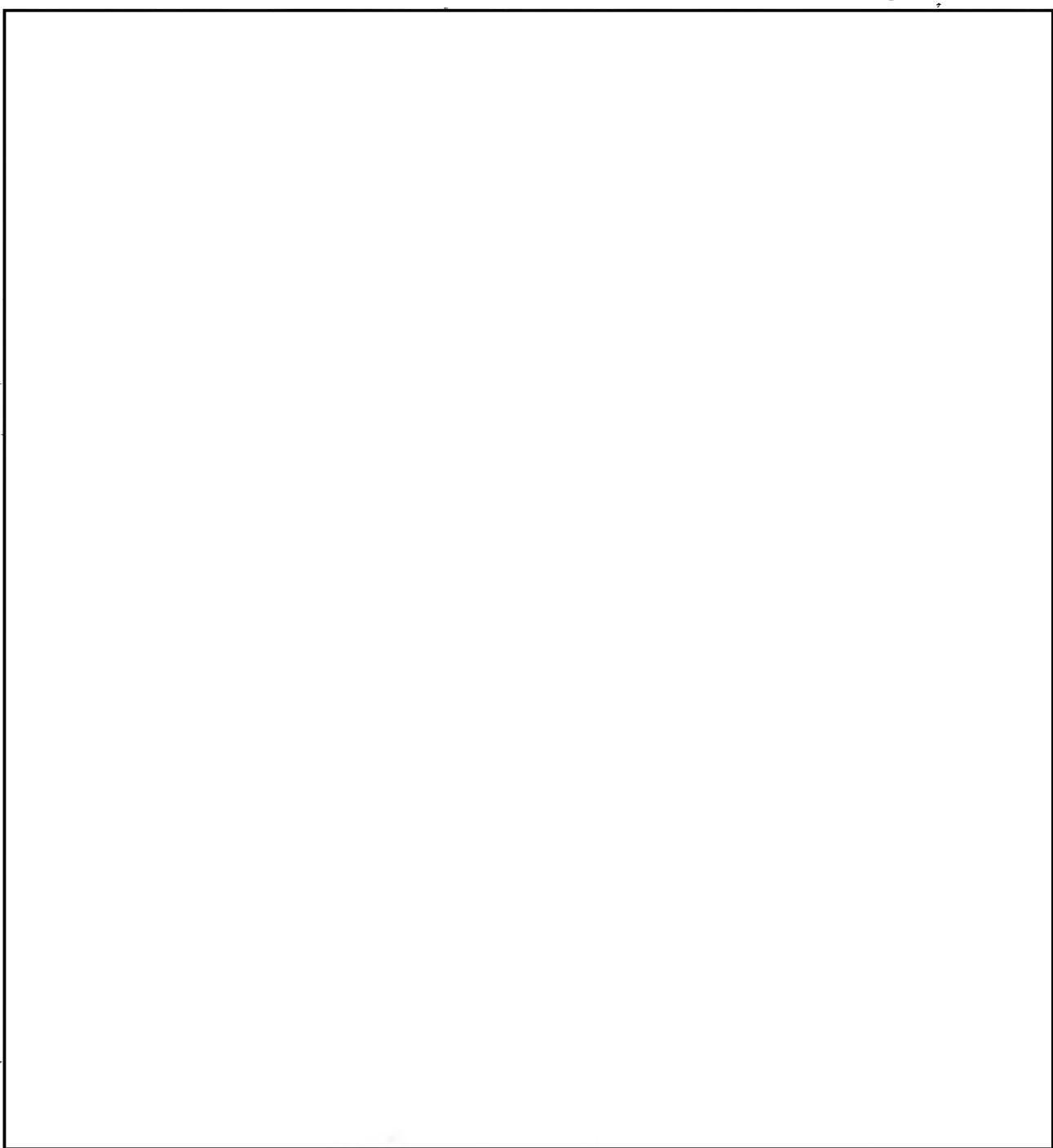
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PART I  
HISTORY AND DEVELOPMENT OF THE  
FUND FOR THE REPUBLIC (FFR)  
(April 1, to June 30, 1958)

per IRS

TAX EXEMPTION



The Congressional Record for April 29, 1958, pages A3879 and A3880 reflected that Congressman Forrester, (D) Georgia, extended his remarks to include an article written by Mrs. Eleanor Roosevelt entitled, "Representative Walter is Prejudiced" which appeared in the "Washington News" of